

1 LYNN M. DEAN, Cal. Bar No. 205562

Email: deanl@sec.gov

2 SARA D. KALIN, Cal. Bar No. 212156

Email: kalins@sec.gov

3 Attorneys for Plaintiff

4 Securities and Exchange Commission

Michele Wein Layne, Regional Director

5 Lorraine B. Echavarria, Associate Regional Director

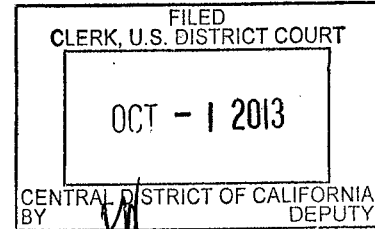
John W. Berry, Regional Trial Counsel

6 5670 Wilshire Boulevard, 11th Floor

Los Angeles, California 90036

7 Telephone: (323) 965-3998

Facsimile: (323) 965-3908



8
9 UNITED STATES DISTRICT COURT

10 CENTRAL DISTRICT OF CALIFORNIA

11 SECURITIES AND EXCHANGE
COMMISSION,

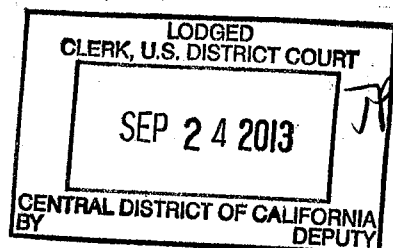
12 Plaintiff,

13 vs.

14 LARRY R. POLHILL,

15 Defendant.

Case No. **EDCV13-1729** PA
JUDGMENT AS TO DEFENDANT
LARRY R. POLHILL



1 The Securities and Exchange Commission having filed a Complaint and
2 Defendant Larry R. Polhill having entered a general appearance; consented to the
3 Court's jurisdiction over Defendant and the subject matter of this action; consented
4 to entry of this Judgment without admitting or denying the allegations of the
5 Complaint (except as to jurisdiction); waived findings of fact and conclusions of
6 law; and waived any right to appeal from this Judgment:

7 **I.**

8 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant
9 and Defendant's agents, servants, employees, attorneys, and all persons in active
10 concert or participation with them who receive actual notice of this Judgment by
11 personal service or otherwise are permanently restrained and enjoined from
12 violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of
13 1934 (the "Exchange Act"), 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated
14 thereunder, 17 C.F.R. § 240.10b-5, by using any means or instrumentality of
15 interstate commerce, or of the mails, or of any facility of any national securities
16 exchange, in connection with the purchase or sale of any security:

- 17 (a) to employ any device, scheme, or artifice to defraud;
18 (b) to make any untrue statement of a material fact or to omit to state a
19 material fact necessary in order to make the statements made, in the
20 light of the circumstances under which they were made, not
21 misleading; or
22 (c) to engage in any act, practice, or course of business which operates or
23 would operate as a fraud or deceit upon any person.

24 **II.**

25 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED
26 that Defendant and Defendant's agents, servants, employees, attorneys, and all
27 persons in active concert or participation with them who receive actual notice of
28 this Judgment by personal service or otherwise are permanently restrained and

1 enjoined from violating Section 17(a) of the Securities Act of 1933 (the "Securities
2 Act"), 15 U.S.C. § 77q(a), in the offer or sale of any security by the use of any
3 means or instruments of transportation or communication in interstate commerce
4 or by use of the mails, directly or indirectly:

- 5 (a) to employ any device, scheme, or artifice to defraud;
- 6 (b) to obtain money or property by means of any untrue statement of a
7 material fact or any omission of a material fact necessary in order to
8 make the statements made, in light of the circumstances under which
9 they were made, not misleading; or
- 10 (c) to engage in any transaction, practice, or course of business which
11 operates or would operate as a fraud or deceit upon the purchaser.

12 **III.**

13 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED
14 that Defendant and Defendant's agents, servants, employees, attorneys, and all
15 persons in active concert or participation with them who receive actual notice of
16 this Judgment by personal service or otherwise are permanently restrained and
17 enjoined from violating Section 5 of the Securities Act, 15 U.S.C. § 77e, by,
18 directly or indirectly, in the absence of any applicable exemption:

- 19 (a) Unless a registration statement is in effect as to a security, making use
20 of any means or instruments of transportation or communication in
21 interstate commerce or of the mails to sell such security through the
22 use or medium of any prospectus or otherwise;
- 23 (b) Unless a registration statement is in effect as to a security, carrying or
24 causing to be carried through the mails or in interstate commerce, by
25 any means or instruments of transportation, any such security for the
26 purpose of sale or for delivery after sale; or
- 27 (c) Making use of any means or instruments of transportation or
28 communication in interstate commerce or of the mails to offer to sell

1 or offer to buy through the use or medium of any prospectus or
2 otherwise any security, unless a registration statement has been filed
3 with the Commission as to such security, or while the registration
4 statement is the subject of a refusal order or stop order or (prior to the
5 effective date of the registration statement) any public proceeding or
6 examination under Section 8 of the Securities Act, 15 U.S.C. § 77h.

7 **IV.**

8 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that,
9 pursuant to Section 21(d)(2) of the Exchange Act, 15 U.S.C. § 78u(d)(2), and/or
10 Section 20(e) of the Securities Act, 15 U.S.C. § 77t(e), Defendant is prohibited
11 from acting as an officer or director of any issuer that has a class of securities
12 registered pursuant to Section 12 of the Exchange Act, 15 U.S.C. § 78l, or that is
13 required to file reports pursuant to Section 15(d) of the Exchange Act, 15 U.S.C.
14 § 78o(d).

15 **V.**

16 Upon motion of the Commission, the Court shall determine whether it is
17 appropriate to order disgorgement of ill-gotten gains and/or a civil penalty pursuant
18 to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of
19 the Exchange Act, 15 U.S.C. § 78u(d)(3), and, if so, the amount(s) of the
20 disgorgement and/or civil penalty. If disgorgement is ordered, Defendant shall pay
21 prejudgment interest thereon, calculated from April 22, 2008, based on the rate of
22 interest used by the Internal Revenue Service for the underpayment of federal
23 income tax as set forth in 26 U.S.C. § 6621(a)(2). In connection with the
24 Commission's motion for disgorgement and/or civil penalties, and at any hearing
25 held on such a motion: (a) Defendant will be precluded from arguing that he did
26 not violate the federal securities laws as alleged in the Complaint; (b) Defendant
27 may not challenge the validity of the Consent or this Judgment; (c) solely for the
28 purposes of such motion, the allegations of the Complaint shall be accepted as and

1 deemed true by the Court; and (d) the Court may determine the issues raised in the
2 motion on the basis of affidavits, declarations, excerpts of sworn deposition or
3 investigative testimony, and documentary evidence, without regard to the standards
4 for summary judgment contained in Rule 56(c) of the Federal Rules of Civil
5 Procedure. In connection with the Commission's motion for disgorgement and/or
6 civil penalties, the parties may take discovery, including discovery from
7 appropriate non-parties.

8 VI.

9 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the
10 Consent is incorporated herein with the same force and effect as if fully set forth
11 herein, and that Defendant shall comply with all of the undertakings and
12 agreements set forth therein.


13 VII.

14 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this
15 Court shall retain jurisdiction of this matter for the purposes of enforcing the terms
16 of this Judgment.

17 VIII.

18 There being no just reason for delay, pursuant to Rule 54(b) of the Federal
19 Rules of Civil Procedure, the Clerk is ordered to enter this Judgment forthwith and
20 without further notice.

21 Dated: 10/1, 2013

22 
23
24 UNITED STATES DISTRICT JUDGE
25
26
27
28